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Maricopa County Financial & Personnel Resources 3rd Quarter Report
Prepared By The Chief Resource Office

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INTRODUCTION

Enclosed is the 3rd Quarter Maricopa County Financial and Personnel Resources Report. It provides management with a Countywide overview of both financial and human resources issues and trends. The information contained herein allows for successful management of staffing and related financial issues. Expenditures for personnel services account for more than 65% of the County's controllable General Fund budget. Effective tracking and controls placed on these expenditures along with management of funded positions make up the primary elements in this process.

Since October of 1994, after the passage of the Unfunded Position Policy, the Office of Management and Budget (OMB) has been working with departments to effectively manage position control. Through automated solutions and departmental cooperation, all positions within Maricopa County are tracked, and full funding is ensured.

Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions, or terminations reflect a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

It is the intent of this report to provide information regarding position control and the following summary information:

- Personnel Savings
- Attrition (Turnover Rates)
- Separations
- Market Survey

Any questions you may have regarding this report or the position control process may be addressed to Maricopa County, Chief Resource Office, 301 West Jefferson, Suite 1070, Phoenix, Arizona 85003. You may also call this office at (602) 506-7280.

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SUMMARY FINDINGS

Achievement of Board directed goals, such as providing effective service delivery, are being addressed through the continuous improvement and development of policies and programs. One such program, the Broadbanding Compensation Plan, is presently being considered by the Board. This plan is designed to provide competitive compensation and to reward higher achievers. Effective April 1, 1997, the Employee Separation Program, which provides outprocessing and exit interviews, will be instituted. This new strategy is designed to provide management with employee separation information for analysis and employee retention.

The year-to-date 3rd quarter actual gross personnel savings Countywide total $40.5 million of which $11.5 million or 28.7% is in the General Fund. The chart to the right shows the gross actual savings.

Actual Personnel Savings
YTD 3rd Quarter FY 1996-97
(\$ In Millions)

General Fund
$11.5

All Other
Funds
$40.5
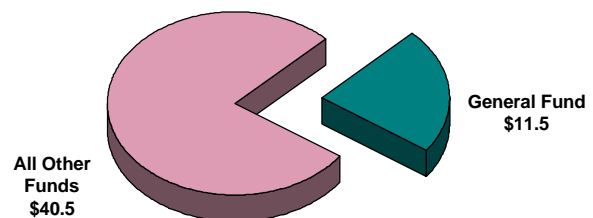
Actual Personnel Savings
Above Budget
YTD 3rd Quarter FY 1996-97
(\$ In Millions)

All Other
Funds
$21.1
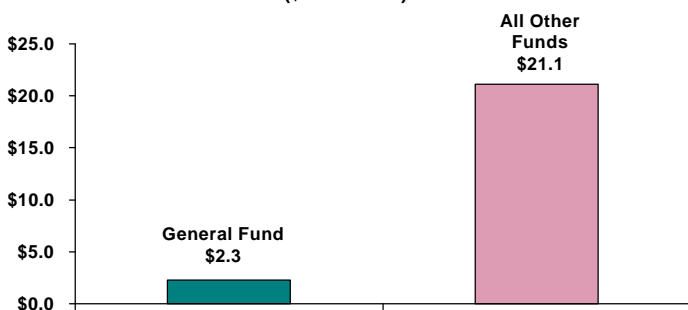
General Fund
$2.3

The actual personnel savings above budget for all funds continue to maintain a positive variance. The year-to-date 3rd quarter actual personnel savings above what is budgeted in the General Fund is $2.3 million, while all other funds are $21.1 million above budget. The chart at the left demonstrates this graphically.

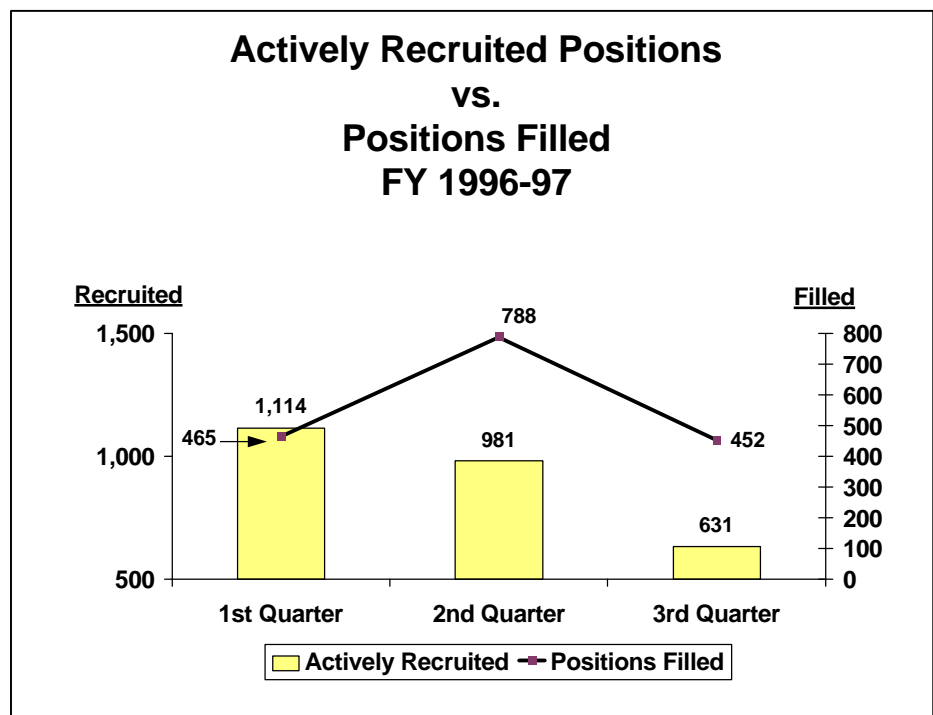**The significant increase in personnel savings Countywide is attributed in part to the Health System hiring freeze. This produced a significant drop in the number of positions being actively recruited.**

Vacant Positions vs. Actively Recruited Positions FY 1996-97

Recruited | Vacant

2,094

1,114

1,950

981

1,818

631

1st Quarter | 2nd Quarter | 3rd Quarter

Actively Recruited — Vacant
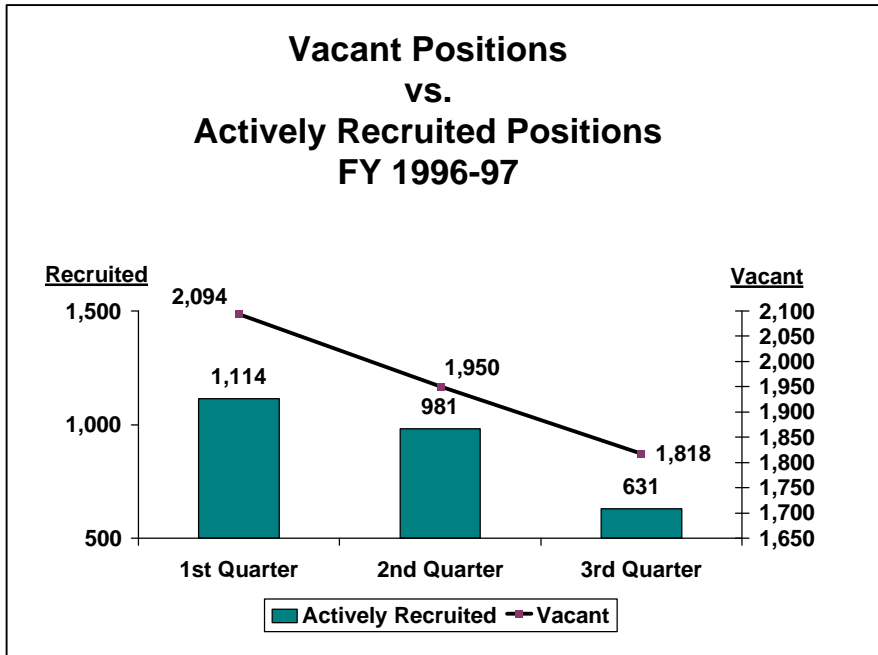
There were 2,094 positions vacant in the 1st quarter vs. 1,818 positions vacant in the 3rd quarter, or a 13.18% reduction in vacancies. A comparison of positions being _actively recruited_ from the 1st to 3rd quarter shows a 43.36% decline in recruitments.

The chart at the right compares the number of positions actively recruited vs. positions which were filled quarterly. During the 3rd quarter, 24.86% of all positions actively recruited were filled.

Actively Recruited Positions vs. Positions Filled FY 1996-97

Recruited | Filled

788

1,114

465

981

452

631

1st Quarter | 2nd Quarter | 3rd Quarter

Actively Recruited — Positions Filled

A 2.11% reduction in Maricopa County's turnover rate, or attrition, from the first quarter of FY 1996-97, puts the County's current turnover at 13.38%. The fiscal year-to-date rate of attrition is provided on the graph to the right.

**Maricopa County
Rate of Attrition Comparison
FY 1996-97**
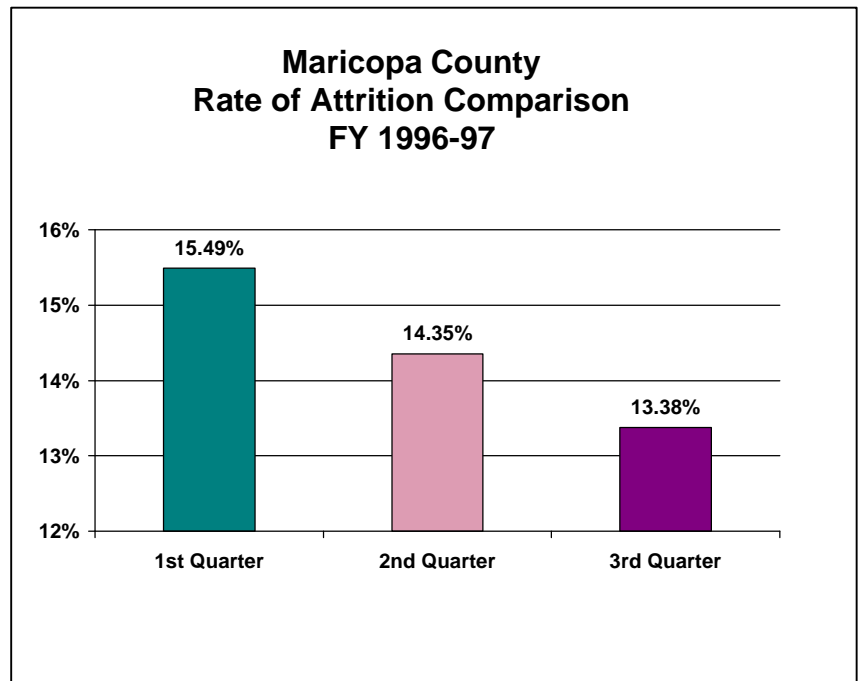
Employee dissatisfaction issues continue to be reviewed to provide information which can help to identify potential managerial issues so that resolutions can be reached.
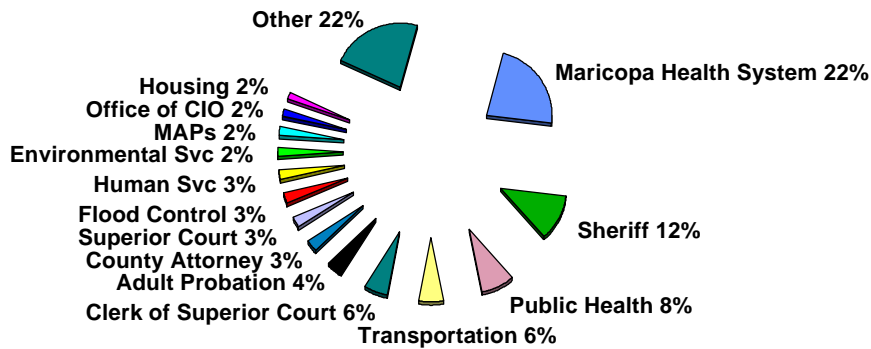
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PERSONNEL SAVINGS

Maricopa County year-to-date 3rd quarter FY 1996-97 actual personnel savings for all funds total $40.5 million. This is $21.1 million greater than the budgeted amount as demonstrated on the table below.

MARICOPA COUNTY YTD 3RD QUARTER FY 1996-97 PERSONNEL SAVINGS ALL FUNDS				
Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personal Savings Above Budget
$384,232,775	$343,717,607	$40,515,168	$19,380,143	$21,135,025

**Maricopa County
YTD 3rd Quarter FY 1996-97
Personnel Savings
By Department For All Funds**

Other 22%
Housing 2%
Office of CIO 2%
MAPs 2%
Environmental Svc 2%
Human Svc 3%
Flood Control 3%
Superior Court 3%
County Attorney 3%
Adult Probation 4%
Clerk of Superior Court 6%
Transportation 6%
Maricopa Health System 22%
Sheriff 12%
Public Health 8%

Major salary savings by department for all funds are shown on the chart to the left.

Personnel savings occur when positions remain vacant, or when the actual pay of a position is lower than budgeted. These savings are made up of three components: salary savings, benefit savings and turnover, or attrition. This creates savings in personal services expenditures. OMB estimates annual salary savings for budget purposes, based on actual experience.

The year-to-date personnel savings for all funds increased significantly from the 2nd quarter. The year-to-date gross personnel savings variance from the 2nd quarter, of $12.7 million, represents a 46% increase. The personnel savings as compared to budget of $6.3 million represents an 42% increase in salary savings from the 2nd quarter. This increase is due in part to a Health System hiring freeze, a 36% reduction in the number of positions actively recruited, and a 43% reduction in vacant positions which were filled.

2nd Quarter Actual Personnel Savings	3rd Quarter Actual Personnel Savings	Variance Better Than 2nd Quarter	2nd Quarter Actual Personnel Savings Above Budget	3rd Quarter Actual Personnel Savings Above Budget	Variance Better Than 2nd Quarter
$ 27,774,605	$ 40,515,168	$ 12,740,563	$ 14,840,417	$ 21,108,776	$ 6,268,359

**MARICOPA COUNTY COMPARISON
YTD 2ND & 3RD QUARTER FY 1996-97 PERSONNEL SAVINGS ALL FUNDS**

The departments incurring the greatest increase in personnel savings during the 3rd quarter for all funds are shown on the chart below.

Major Departmental Increases In Actual Personnel Savings For All Funds YTD 2nd To 3rd Quarter FY 1996-97 ($ In Millions)
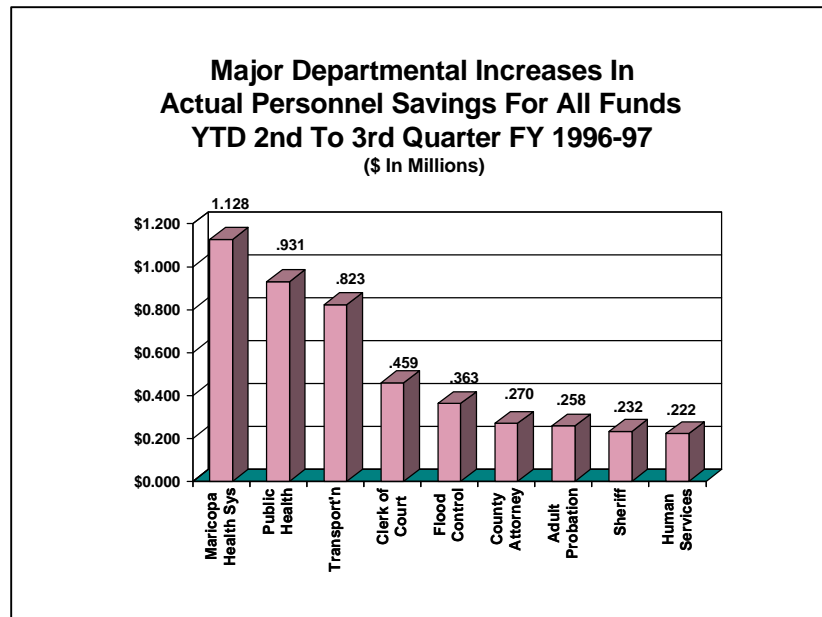
General Fund year-to-date actual personnel savings for the 3rd quarter total $11.5 million or $2.4 million greater than the budgeted amount.

GENERAL FUND YTD 3RD QUARTER FY 1996-97 PERSONNEL SAVINGS

Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personal Savings Above Budget
$194,778,041	$183,296,826	$11,481,215	$9,124,892	$2,356,323

General Fund actual personnel savings are 26% higher than budgeted savings. The chart below compares General Fund departments with major actual personnel savings to their actual personnel savings above budget. A negative number indicates the actual personnel savings below budget.

General Fund YTD FY 1996-97 Actual Personnel Savings Vs. Actual Personnel Savings Above Budget
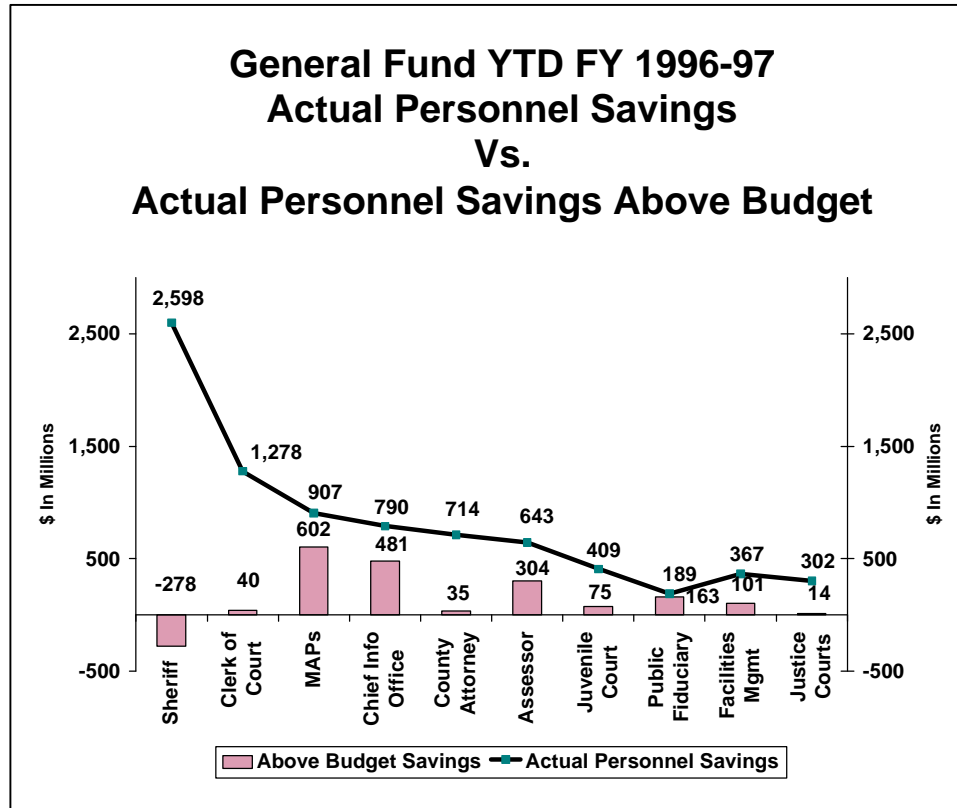
The table below compares 2nd to 3rd quarter actual personnel savings for the General Fund.

| GENERAL FUND COMPARISON YTD 2ND & 3RD QUARTER FY 1996-97 PERSONNEL SAVINGS					
2nd Quarter Actual Personnel Savings	3rd Quarter Actual Personnel Savings	Variance Better (Worse) Than 2nd Quarter	2nd Quarter Actual Personnel Savings Above Budget	3rd Quarter Actual Personnel Savings Above Budget	Variance Better (Worse) Than 2nd Quarter
$ 8,251,056	$11,481,215	$ 3,230,159	$ 2,171,198	$ 2,356,323	$ 185,125

The 3rd quarter General Fund actual personnel savings variance increased by $3.2 million from the 2nd quarter, for an increase of 39.02%. Actual 3rd quarter personnel savings variance as compared to budget from the 2nd quarter grew by $185 thousand, for an increase of 8.5%.

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ATTRITION

<u>Organization-wide turnover rate, or attrition, as of March 31, 1997 is 13.38%.</u> The rate of attrition is based upon the number of regular positions that are vacant. Of those vacant positions, only 34.71% were being actively recruited. This represents a 1% reduction in the total number of employees leaving the County since December 31, 1996.

The chart at the right indicates the percent of total positions that were being actively recruited during the third quarter. A total of 1,818 positions were vacant while 631 of those positions were actively recruited.

3rd Quarter FY 1996-97
Total Vacant Positions
vs.
Vacant Recruited Positions
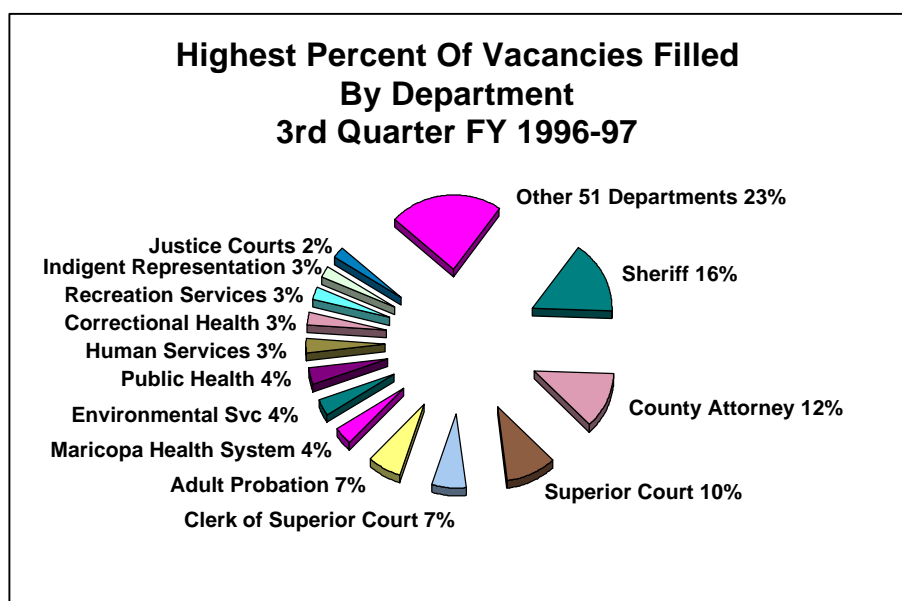
Vacant
65.29%

Vacant
Recruited
34.71%
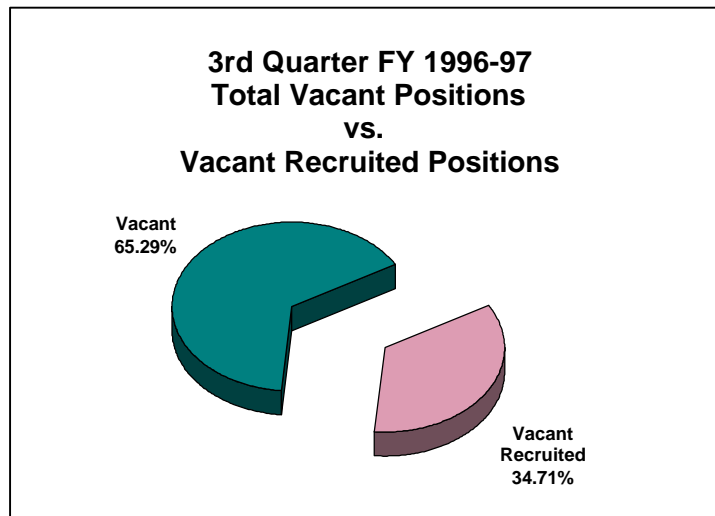
The departments with the largest number of positions vacant are listed below. There is a significant drop in the number of recruited positions for the Maricopa Health System and ALTCS as compared to previous quarters due to a Health System hiring freeze.

MAJOR DEPARTMENT VACANCIES BY NUMBER 3RD QUARTER FY 1996-97				
Department	**Number Vacant**	**Number Filled**	**Total Positions**	**Number Recruited**	**% Vacant Recruited**
Maricopa Health System	648	2,057	2,705	18	2.78%
Public Health	150	508	658	61	40.67%
Clerk of the Superior Court	107	531	638	58	54.21%
Sheriff's Office	89	2,038	2,127	75	84.27%
ALTCS	72	271	343	15	20.83%
Transportation	69	453	522	35	50.72%
County Attorney	63	682	745	46	73.02%
Adult Probation	60	761	821	25	41.67%

Departments with the largest percent of vacancies are shown on the table below[1].

MAJOR DEPARTMENT VACANCIES BY PERCENT

Department	% Vacant	Total Positions	Number Vacant	Number Recruited	% Vacant Recruited
Materials Management	31.48%	54	17	8	47.06%
Maricopa Health Plan	31.25%	32	10	0	0.00%
Solid Waste	29.63%	27	8	0	0.00%
Facilities Management	24.12%	199	48	25	52.08%
Maricopa Health System	23.96%	2,705	648	25	3.86%
Library District	23.53%	153	36	31	86.11%
Public Health	22.80%	658	150	61	40.67%

Highest Percent Of Vacancies Filled By Department 3rd Quarter FY 1996-97

Other 51 Departments 23%
Sheriff 16%
County Attorney 12%
Superior Court 10%
Clerk of Superior Court 7%
Adult Probation 7%
Maricopa Health System 4%
Environmental Svc 4%
Public Health 4%
Human Services 3%
Correctional Health 3%
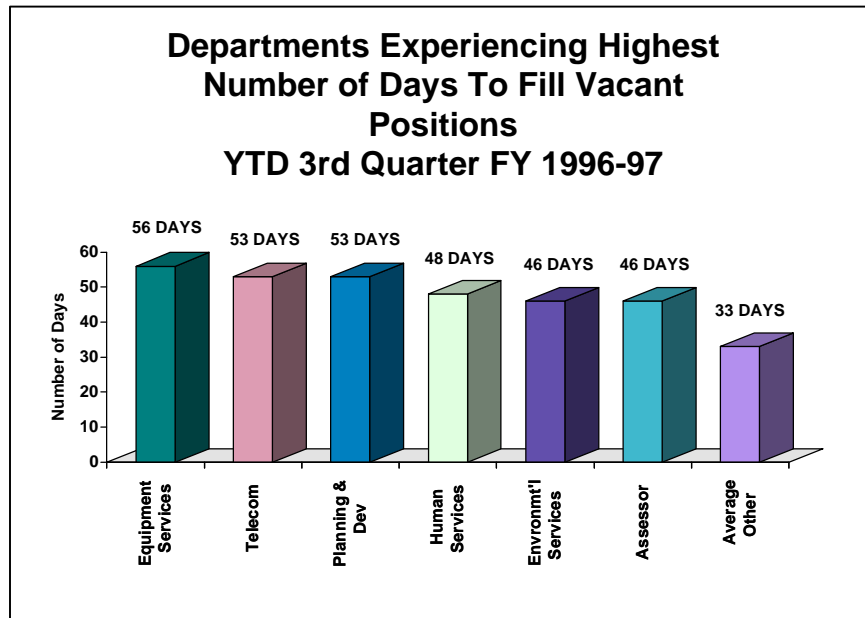Recreation Services 3%
Indigent Representation 3%
Justice Courts 2%

Departments with the highest percent of actively recruited positions which were filled during the third quarter are shown on the chart to the left.

COUNTYWIDE ATTRITION

Total Funded Positions	No. Vacant	Turnover	Recruited	% Vacant Recruited
13,590	1,818	13.38%	631	34.71%

The two departments which have the highest number of vacant positions and are included in the listing of departments with the highest vacancy rates are the Maricopa Health System and Public Health. The Maricopa Health System is in the midst of a hiring freeze which may account for the continued high vacancies. The continued high vacancies in Public Health may indicate a shortage of skilled workers or a compensation issue in the health industry which is affecting our recruitment efforts.
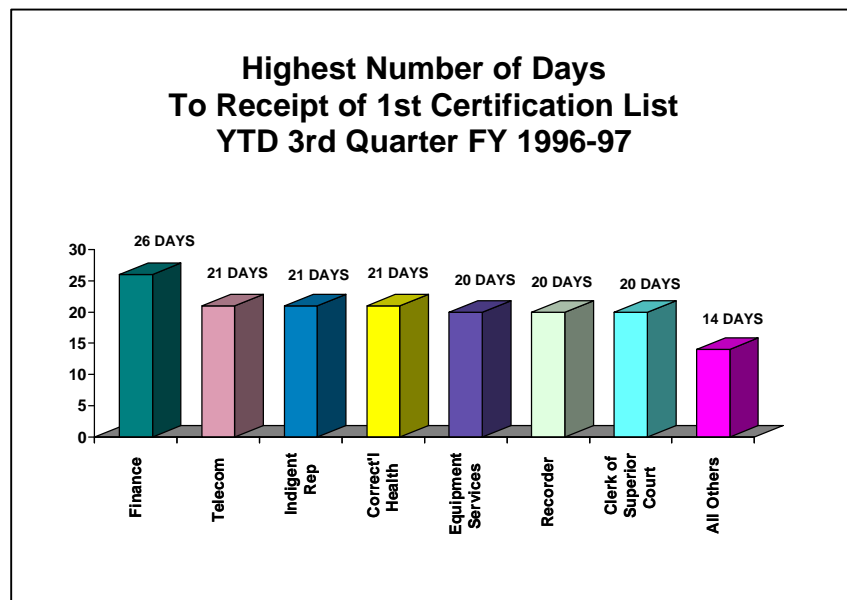
Information relevant to recruitment which has not previously been tracked is provided below.

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[1] **Departments with less than 25 employees are not listed due to skewing of percentages, as described in the introduction.**

**Departments Experiencing Highest
Number of Days To Fill Vacant
Positions
YTD 3rd Quarter FY 1996-97**

	56 DAYS	53 DAYS	53 DAYS	48 DAYS	46 DAYS	46 DAYS	33 DAYS

Number of Days

Equipment Services · Telecom · Planning & Dev · Human Services · Envronmt'l Services · Assessor · Average Other

The chart above shows the departments which are experiencing the highest average number of days it takes to fill their vacant positions. The Countywide average year-to-date is 33 days. The additional time above 33 days may indicate a shortage of skilled workers or other issue which may affect recruitment efforts.

Certification lists provide managers with the top qualified applicants for positions recruited. It takes an average of 15 days to generate a certification list. The departments showing the highest number of days to receipt of a certification list are included in the chart below. 44.84% of all recruitment time is dedicated to the generation of certification lists.

**Highest Number of Days
To Receipt of 1st Certification List
YTD 3rd Quarter FY 1996-97**

26 DAYS	21 DAYS	21 DAYS	21 DAYS	20 DAYS	20 DAYS	20 DAYS	14 DAYS

Finance · Telecom · Indigent Rep · Correct'l Health · Equipment Services · Recorder · Clerk of Superior Court · All Others

Continued collection of this information may prove useful in analyzing recruitment trends and reducing the number of days required to fill vacant positions.

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SEPARATIONS

The new strategy for employee separation information collection and analysis has been implemented. Outprocessing and exit interviews have begun effective April 1, 1997, and are crucial to the success of this new program. The County's objectives include resolution of staffing issues such as employee retention. The higher the voluntary separation rate, the higher the financial and operational impact to County departments. Customer service is likely to diminish during training of new personnel.

Major Separation Categories
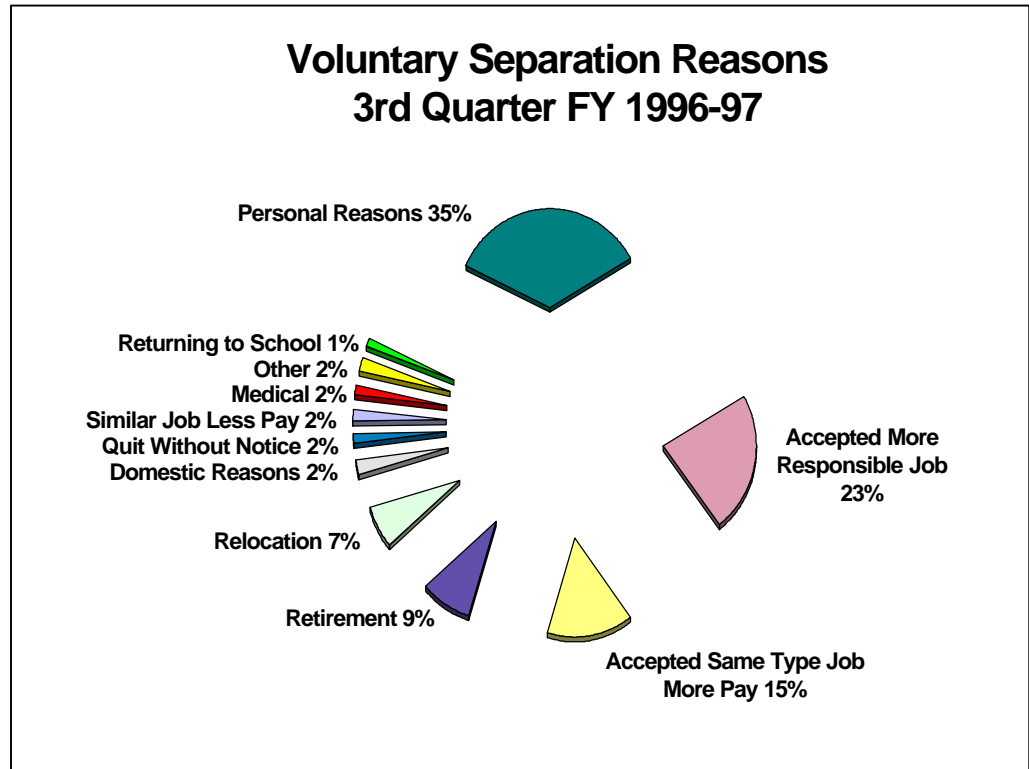**YTD 3rd Quarter FY 1996-97**

Voluntary
85%
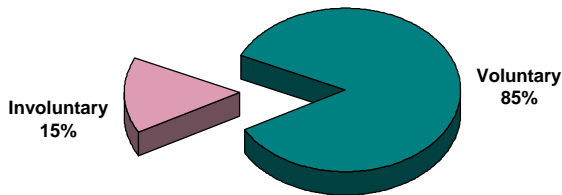
Involuntary
15%

Voluntary employee separation reasons continue to exceed involuntary reasons due to the organizations "catch-all" category, personal reasons.

Third quarter involuntary separation reasons continue to be dominated by employees released. Released is defined as involuntary leave while on initial probation or involuntary leave from Unclassified status. Examples of released separations include changes in administration, poor job match, disciplinary reasons, etc.

Involuntary Separation Reasons
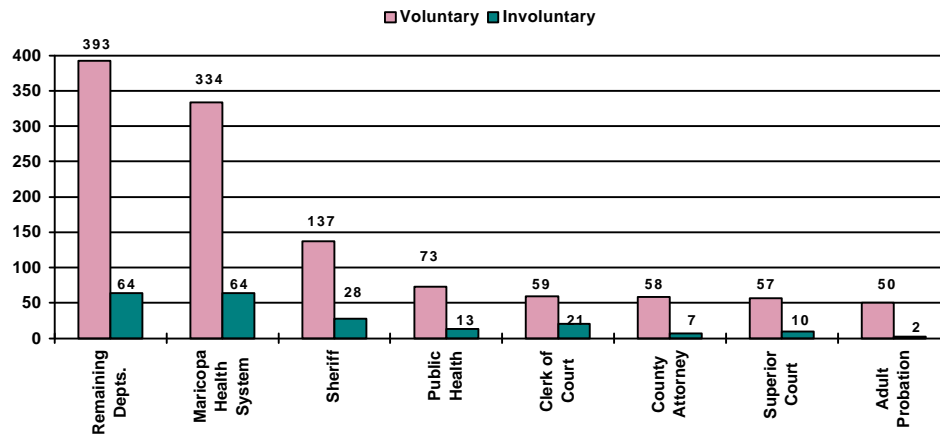**3rd Quarter FY 1996-97**

Released 68%

Reduction In Force 6%

Unsatisfactory
Performance 6%

Misconduct 20%
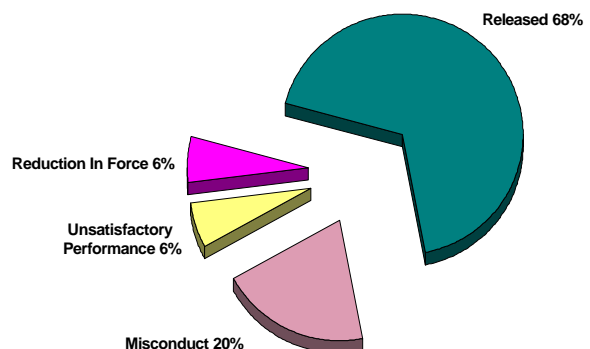
Personal reasons remains the only group of unidentified voluntary separation reasons.

Voluntary Separation Reasons
3rd Quarter FY 1996-97

Personal Reasons 35%

Returning to School 1%
Other 2%
Medical 2%
Similar Job Less Pay 2%
Quit Without Notice 2%
Domestic Reasons 2%

Accepted More Responsible Job 23%

Relocation 7%

Retirement 9%

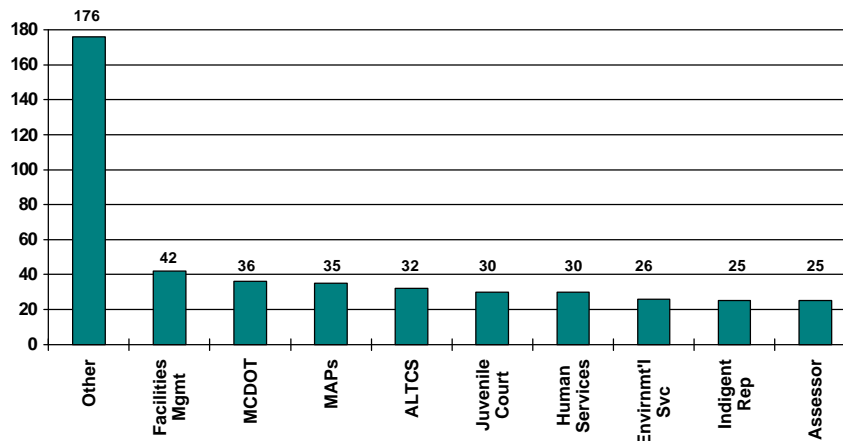Accepted Same Type Job More Pay 15%

Currently, employee separation reasons are obtained from Personnel Action Forms. At the present time, all identified voluntary separation reasons represent employees leaving the County. Through the new employee separation program, broad separation categories can be narrowed and successfully tracked. Managers will have the tools to better understand and resolve separation issues.

Number of Separations By Department
YTD 3rd Quarter FY 1996-97

□ Voluntary ■ Involuntary

Department	Voluntary	Involuntary
Remaining Depts.	393	64
Maricopa Health System	334	64
Sheriff	137	28
Public Health	73	13
Clerk of Court	59	21
County Attorney	58	7
Superior Court	57	10
Adult Probation	50	2

The departments showing the largest number of voluntary and involuntary separations YTD 3rd Quarter FY 1996-97 are shown graphically in the chart to the left.

Remaining Separations By Department
YTD 3rd Quarter FY 1996-97

| Department	Separations
Other	176
Facilities Mgmt	42
MCDOT	36
MAPs	35
ALTCS	32
Juvenile Court	30
Human Services	30
Envirnmt'l Svc	26
Indigent Rep	25
Assessor	25

The largest number of remaining separations by department for the first three quarters of FY 1996-97 are shown on the chart to the left.

New programs, such as employee outprocessing, will provide the tools necessary for managers to better understand and resolve separation issues. As Maricopa County continues to improve its Performance Management Program, and introduce a Countywide Ethics Policy, examine Broadbanding, a positive improvement should result through the retention of high performers. Separations remain a key indicator of employee satisfaction, the County continues to develop and improve programs in order to resolve staffing issues and retain quality staff.

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MARKET SURVEY

The Maricopa County Biennial Salary Survey is conducted in order to compare how Maricopa County employees fare in salary to others doing similar jobs. The market's surveyed include regional, state and local governments. The eight reporting categories include professional, administrative support, information systems, courts and legal, law enforcement, trades and public works, and health and social services. The chart below shows Maricopa County as compared to the average of similar positions in the local marketplace and as compared to the average of all jurisdictions surveyed.[2]

1996 Maricopa County Salary Survey Results
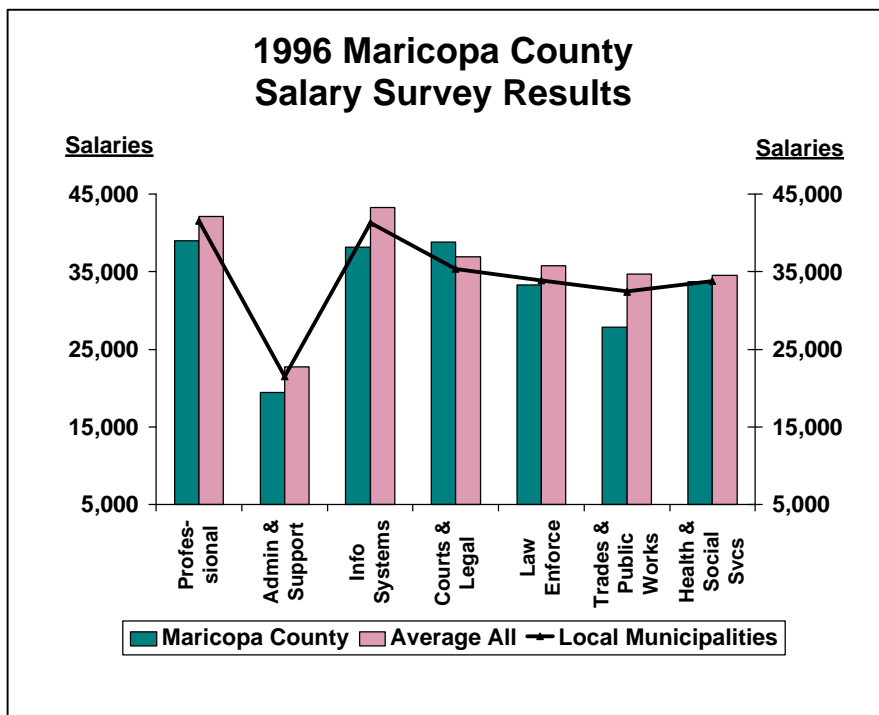
Generally, Maricopa County employee's are paid less than the <u>average</u> of the local municipalities and less than the <u>average</u> of all representative governments. The only exception is the category of courts and legal positions. Maricopa County salaries are 5.29% higher than the average of all jurisdictions surveyed.

The average turnover rate for all participants is 5.83%. Maricopa County's current turnover rate is 13.38%, down from a high of 15.48% in the first quarter of this fiscal year. A high turnover rate may be an indication of employee dissatisfaction issues. Identification of these managerial issues remains a key indicator in the County's ability to retain high performers.

[2] Salary information surveyed from the cities of Tucson, Tempe, Scottsdale, Phoenix, Mesa, Glendale, Arizona; the State of Arizona; the counties of San Diego, CA, Salt Lake, UT, King County, WA, Harris, TX, Clark, NV, Denver, CO, and Pima, AZ.